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Via website submittal to the California Air Resources Board (CARB)
http://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=2013investmentpln-ws&comm_period=1

**COMMENTS ON THE DEVELOPMENT OF AN INVESTMENT PLAN FOR AUCTION
PROCEEDS FROM THE CAP-AND-TRADE PROGRAM**

To Whom It May Concern:

The County of San Diego appreciates the opportunity to comment on the development of an investment plan for the auction proceeds from the Cap-and-Trade program. The County Department of Planning & Development Services (PDS) and Department of Public Works (DPW) have completed their review and have the following comments:

GENERAL COMMENTS

1. The investment plan should specify that Cap-and-Trade auction proceeds should be directed toward projects that will reduce greenhouse gas (GHG) emissions and that achieve the goals of Assembly Bill (AB) 32 and the Sustainable Communities Strategies (SCS).
2. The funds distribution process should be tied to the volume of GHG emissions that each proposed project will reduce. The funds should be distributed in two ways; a per capita basis and a competitive, merit based system. The per capita fund should be given directly to public agencies who can most efficiently allocate funding to local projects and programs that reduce GHG emissions. The merit based system should be geared toward large projects benefiting a multijurisdictional region and should be provided to Metropolitan Planning Organizations (MPOs).

TRANSPORTATION

3. Regional traffic signal timing projects of a long term nature with comprehensive before and after studies demonstrating GHG emission reductions should be a funding priority.
4. A statewide contract for upgrades of public works heavy equipment should be funded to provide the most competitive costs.
5. "The Last Mile" dilemma associated with public transit projects should have a special funding category. The inability to get to/from public transit to a trip origin/destination is a major deterrent to public transit use. Projects that complete the last mile should be prioritized.
6. Funding provided for alternative transportation projects such as bike and bus lane projects, should be required to identify roadway maintenance funds to allow for ongoing maintenance of the portion of the roadway dedicated to alternative modes of transportation. As transportation modes shift toward non-vehicular travel and there is a greater reliance on alternative fuel vehicles, roadway maintenance funds from gas taxes also decline. New funding options need to be provided to account for these declines in roadway maintenance funds. Poor roadway maintenance contributes to GHG emissions by reducing travel speeds and increasing idling time due to increased congestion.

WASTE AND RECYCLING

As the 7th largest category in the GHG emissions inventory compiled by the CARB, the waste and recycling industry should be targeted for investment to expand recycling processing infrastructure. There are a number of items identified in the waste reduction and recycling sector that would offer benefits to climate protection and reduce GHG emissions. Cap-and-Trade auction proceeds should support waste and recycling related projects such as:

1. Organics Processing – Increased capacity for organics (green waste and food waste) processing reduces landfill methane emissions. Compost application results in reduced emissions from the production and application of chemical fertilizers, decreased energy-intensive water use associated emissions, and improved soil carbon storage. Direct and ongoing incentives to composting and digestion facilities would provide the biggest opportunity in the long run. Immediate investments in grants and loans to capitalize new and expanded facilities would have a significant impact in jumpstarting this industry in the short term. In San Diego County, it is estimated that there is need for eight additional large organic material processing facilities.
2. Recycling Market Development – Fully funding and expanding the Recycling Market Development Zone (RMDZ) program would spur economic development and investment in California's recycling infrastructure. Investment in direct incentives and the RMDZ program is needed to grow domestic outlets for recycled

materials. Recycled content manufacturing avoids emissions from raw materials extraction, primary processing, transportation, and refining. Recycling also promotes forest carbon sequestration, and directly reduces direct manufacturing emissions by displacing virgin materials which require more energy for processing, and generate more waste. Re-introducing discards with intrinsic energy value back into manufacturing processes also creates more local jobs by supporting in-state processing and manufacturing with recycled feedstock.

3. Incentive Payments for Processing and Recycled Content Manufacturing - Building on the model of California's successful Plastic Market Development Program and providing performance based-investment directly in recycled material processing and manufacturing would reduce direct and lifecycle emissions, create jobs, and prevent GHG leakage. This would also provide incentive for greater collection and marketing of recycled content materials.
4. There is a clear GHG nexus and benefits associated with funding waste and recycling programs, such as:
 - a. Recycling is one of the most cost-effective ways to reduce GHGs, often ranking as "cost-negative" in analyses evaluating cost effectiveness of various GHG reduction strategies.
 - b. According to a recent study from the Tellus Institute, collection and processing of recyclables generates nearly four times as many jobs as does disposal, and domestic recycled content processing and manufacturing of these materials adds an additional 2.5 to 18 jobs for every 1,000 tons recycled.
 - c. According to Recycling and Waste Management Subgroup¹ of the Climate Action Team, "RMDZ program participants diverted approximately 725,000 tons of cardboard, lumber, glass, paper, plastic and metal from landfills in 2006. Based on very preliminary calculations, the estimated annual GHG emission reduction for RMDZ participants is on the order of 1.0 Million Metric Tons (MMT) of Carbon Dioxide Equivalent (CO₂E)."
 - d. Despite landfill gas capture systems, over 6.7 million metric tons of CO₂E fugitive emissions were released from California's landfills in 2009, according to CARB's Greenhouse Gas Inventory². CARB has estimated that in addition to reducing landfill emission, the application of compost saves 0.42 net tons of CO₂ per ton composted through soil carbon storage, and decreased water use, fertilizer use and soil erosion.
 - e. Supporting the burgeoning anaerobic digestion industry supports multiple policy priorities, including reducing emissions in the transportation sector and increasing distributed generation and energy efficiency.

¹ http://www.climatechange.ca.gov/climate_action_team/reports/CAT_subgroup_reports/Recycling_Waste_Mngmt_Summary_and_Analyses.pdf

² http://www.arb.ca.gov/cc/inventory/data/tables/ghg_inventory_scopingplan_00-09_2011-10-26.pdf

PLANNING SUPPORT

5. Auction proceeds should be made available for purposes of developing plans that will implement AB32 and regional Sustainable Communities Strategies (SCS). Funding to develop plans is a critical factor in carrying out the SCS and meeting GHG reductions expected from implementation of the SCS.
6. Specific Projects in the County of San Diego that could benefit from planning oriented funding include:
 - a. Preparation of a County Bicycle Transportation Plan – The County would benefit from a well-conceived bicycle plan that integrates non-motorized facilities into the higher density, mixed-use "Villages" identified through the County's General Plan. This land use strategy mirrors the San Diego Association of Governments (SANDAG) Smart Growth Opportunity Areas which would benefit from enhanced bicycle infrastructure development. There are only 0.05 miles of bicycle facilities per square mile in the unincorporated county compared with 1.6 miles of facility per square mile in the incorporated portions of the county. A Bicycle Transportation Plan will help re-focus investments in bicycle facility construction, encouraging a greater share of non-motorized trips in the unincorporated county, resulting in a reduction in future GHG emissions.
 - b. Development of local GHG mitigation/offset programs that would assist local jurisdictions to comply with the California Environmental Quality Act (CEQA). Funding to support development of local GHG offset programs would provide economic benefits by increasing the certainty and cost of offsets for future development subject to CEQA and would provide an ongoing source of funding to local agencies to carry out GHG reduction projects.
 - c. Development of focused area plans – Certain areas planned for high density development need focused development plans to streamline and incentivize housing development in areas near jobs and increase pedestrian, transit and bicycle modes of travel, resulting in reduction in future vehicle miles traveled (e.g. Buena Creek Sprinter Station focused area plan).
 - d. Development of Comprehensive Active Transportation Strategies (CATS) – CATS would improve non-vehicular transportation options and encourage alternative transportation trips, thereby resulting in a reduction of GHG emissions in the future. This would involve compiling existing data and route alignments for bicycles and pedestrians; determining pedestrian detractors (collisions, traffic congestion, speed limits, etc); conducting community workshops to gather information regarding the areas that need improvement for optimal pedestrian and bicycle use; and developing an implementation strategy and cost estimates for proposed projects. The Spring Valley Community Planning area, the most densely populated community in unincorporated San Diego County, would benefit greatly from such a

March 8, 2013

Page 5 of 5

strategy to take advantage of the convenient location near downtown San Diego that is currently not readily accessible by pedestrian and bicycle transportation.

The County of San Diego appreciates the opportunity to continue to comment on this process. If you have any questions regarding these comments, please contact Jennifer Domeier, Land Use Environmental Planner at (858) 495-5204 or email at Jennifer.Domeier@sdcounty.ca.gov.

Sincerely,



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